

11. (twice amended) A process for determining the probable success of an intellectual property enforcement lawsuit comprising the steps of:

- a) interacting with a pre-programmed computer;
- b) entering data from one or more sources including from a completed set of pre-selected tasks and from a questionnaire completed by the owner of the intellectual property into said computer, said computer having been pre-programmed such that said data is organized by pre-determined categories;
- c) evaluating the data by comparing each category to a preset standard;
- d) transforming said data into a composite score which represents a relative degree of strength associated with the lawsuit;
- e) using the composite score to determine a probable success factor for undertaking the lawsuit.

REMARKS

The Examiner has rejected Claims 1-19 on the basis that they are not claims to statutory subject matter under 35 U.S.C. § 101. Applicant respectfully traverses this rejection based upon *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, decided by the U.S. Court of Appeals for the Federal Circuit on July 23, 1998. In that decision, the court clarified the scope of what is patentable subject matter by stating that both the mathematical algorithm and business method exceptions to § 101 should no longer apply. The court specifically commented concerning 35 U.S.C. § 101 on page five of the decision that:

"The plain and unambiguous meaning of § 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35, i.e. those found in §§ 102, 103, 112, 2. The repetitive use of the term 'any' in § 101 shows Congress' intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in § 101. Indeed, the Supreme Court has acknowledged that Congress intended § 101 to extend to 'anything under the sun that is made by man.' [citations omitted]. Thus, it is improper to read limitations into § 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. [citations omitted]."

The Court of Appeals for the Federal Circuit continued:

"The Supreme Court has identified three categories of subject matter that are unpatentable, namely laws of nature, natural phenomena, and abstract ideas [citations omitted] ... the Court has held that mathematical algorithms are not patentable subject matter to the extent they are merely abstract ideas. [citations omitted]. In *Diehr*, the Court explained that certain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of practical application, i.e., 'a useful, concrete, and tangible result.' *Alappat* 333 F.3d at 1544, 31 U.S.P.Q.2d at 1557."

Alappat is the very case that the Examiner relies upon for his rejection. Further, the court noted:

“Unpatentable mathematical algorithms are identifiable by showing they are merely abstract ideas constituting disembodied concepts or truths that are not ‘useful.’ From a practical standpoint, this means that to be patentable, an algorithm must be applied in a ‘useful’ way. In *Alappat*, we held that data transformed by a machine through a series of mathematical calculations to produce a smooth wave form displayed on a rasterizer monitor constituted a practical application of an abstract idea (a mathematical algorithm, formula, or calculation), because it produced ‘a useful, concrete, and tangible result,’ the smooth wave form.”

Most importantly, finally, the court held,

“Today we hold that the transformation of data representing discrete dollar amounts by a machine through a series of mathematical calculation into a final share price constitutes a practical application of a mathematical algorithm, formula, or calculation because it produces ‘a useful, concrete, and tangible result,’ a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities in subsequent trades.”

Lastly, the Court stated, “After *Diehr* and *Alappat*, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not (emphasis added) render it non-statutory subject matter, unless, of course, its operation does not produce a ‘useful and concrete tangible result.’” The Applicant repeatedly pointed out the usefulness of performing the mathematical calculations on a computer using information and data which can be categorized and a category score calculated therefrom. The category scores can then be tallied, weighted or unweighted, into a composite score. The composite score can then be used to evaluate the strength of a specific intellectual property. See the specification, lines 15-20 at page 7. Applicant suggests that based upon the above quotations, the Court of Appeals for the Federal Circuit has made it abundantly clear that claims such as those presented in this case indeed fall within the definition of § 101 statutory subject matter.

Double patenting

The Examiner further has rejected claims 2, 4-5, 8-10, and 13-14, as claiming the same invention as that of claims 2, 4-6, 8-10, and 13-14 of co-pending application 08/546,120. All of the claims mentioned by the Examiner in co-pending 08/546,120 have been cancelled, consequently, the double patenting rejection herein has been obviated.

Obviousness

Regarding the claims, Applicant notes the Examiner’s comments with respect to the De Tore reference. Firstly, the Examiner states, “De Tore discloses a process for evaluating the strength of a specific intellectual property for purposes of commercializing it...” and then refers to lines 63-65 of column 3. However, in lines 55-63 first preceding

the language cited by the Examiner De Tore's real purpose is disclosed with the following language, "For example, although a life insurance underwriter... will most surely benefit from the system described below, it is likely that others not presently designated as underwriters will be able to use and benefit from the invention, and accordingly may be considered underwriters for purposes of this application." Clearly, De Tore doesn't have the remotest intention to commercialize intellectual property. He simply has invented an aid for insurance underwriters.

In like fashion, the Examiner has scrutinized the specification of De Tore, picking out pieces randomly in an attempt to find each and every component of Applicant's invention. The problem with this approach is the Examiner is forced to leave behind those pieces which comprise an integral part of De Tore's invention that have no relevance to Applicant's invention. This then becomes an exercise in piecemeal examination by the Examiner, who beginning with Applicant's application has endeavored to find pieces throughout the art which have no relevance to each other in order to find Applicant's invention. The Applicant suggests even De Tore would be astonished at the Examiner's rendition of De Tore's invention. Specifically, De Tore describes his invention at column 5 lines 57 to column 6 line 2 as follows: "In broad terms, the approach to evaluating or underwriting a given risk which is incorporated to the process of the present invention includes the following steps: First, identifying a problem from the information contained in the application database 20." while in contradistinction Applicant does not identify a problem from any information contained in any database. Applicant is determining the risk associated with licensing or enforcing intellectual property.

Correspondingly, then, De Tore's second step of matching or correlating the identified problem with a corresponding impairment from an underwriting database likewise is not suggestive of anything Applicant does. Further, De Tore assigns weights to the identified problems on the basis of information contained in the underwriting database and determines a risk classification for the risk by combining the assigned weights. Applicant on the other hand is claiming a process which involves interacting with a computer, entering data, evaluating the data, and computing a score. The two methods may require similar steps in operating the computer, but are nevertheless not at all the same or suggestive of each other.

As a further case in point of the numerous occasions where the examiner has "put words in De Tore's mouth," the Examiner takes the position with respect to claims 11-13 that De Tore teaches a process for determining the probable success of a lawsuit.... Nowhere in the cited portions of the De Tore specification does the word lawsuit, or suit, or court action or any other similar descriptive term appear. The Examiner has inserted by pure conjecture or vivid imagination that somehow De Tore was addressing probable success of a lawsuit. The suggestion is clearly absent from De Tore. Suffice it to say this type of examination is improper.

In De Tore, the underwriting is done by using the application for insurance to identify problems which then are translated to impairments which are "solved," i.e. underwritten by reference to expert modules written on test modules or subjectively. De Tore describes five files or databases which are essential to his invention, namely an application database, an installation specific database, an underwriting knowledge base, an underwriting file, and a management database. The databases have no similarity to Applicant's data, or computation system. For example, the De Tore underwriting file contains textual elements that describe the underwriting process, factual elements on

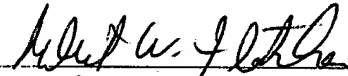
specific medical conditions or impairments, and prepared knowledge in the form of expert modules. None of the items have equivalence in Applicant's system and none are remotely suggestive of Applicant's system. The concepts of comparison and weighting of items is common to both inventions, but there the similarity ends, without the remotest suggestion of a process to calculate a composite score representing the degree of strength of an intellectual property, and especially not a process where data used therein is derived from a completed set of pre-selected tasks and a questionnaire completed by the intellectual property owner.

Robinson does nothing to remedy the defects of De Tore. Robinson directs his comments to the idea of finding defense insurance coverage for patent lawsuits under comprehensive general liability policies. Specifically, Robinson's comments that, "Trade secret misappropriation, unfair competition, copyright infringement and patent infringement have all been held to be continuing torts..." does not remedy the shortcomings of De Tore.

Moreover, the addition of Harbert does nothing to anticipate or make obvious Applicant's invention. Harbert's article was written based upon an interview with Applicant, and refers to determining the cost of insurance based upon a grading system which comprised review of the patent, review of business and associated issues, and any history of litigation, none of which are suggestive or anticipatory of Applicant's system as described and claimed.

Based upon the Amendments to the claims and in view of the Remarks above, Applicant believes the claims are in condition for allowance and respectfully requests such action.

Respectfully Submitted,



Attorney for Applicant

Robert W. Fletcher, Reg. No. 25,334
10503 Timberwood Circle, Suite 114
Louisville, KY 40223
502/ 429-8007
502/ 429-0994

CERTIFICATE OF MAILING

I hereby certify that this Amendment of U.S. Serial No. 08/581,992 filed 1/02/96, Entitled: Method For Determining The Risk Associated With Licensing Or Enforcing Intellectual Property, is being deposited with the United States Postal Service with first class postage thereon in an envelope addressed to Commissioner of Patents and Trademarks, Washington, D.C. 20231 on December 18, 1998.



Robert W. Fletcher